



Anker, T., Sparks, L., Moutinho, L., and Grönroos, C. (2015) Consumer dominant value creation: a theoretical response to the recent call for a consumer dominant logic for marketing. *European Journal of Marketing*, 49(3/4), pp. 532-560.

There may be differences between this version and the published version. You are advised to consult the publisher's version if you wish to cite from it.

<http://eprints.gla.ac.uk/98129/>

Deposited on: 16 February 2016

Enlighten – Research publications by members of the University of Glasgow
<http://eprints.gla.ac.uk>

Consumer dominant value creation: a theoretical response to the recent call for a consumer dominant logic for marketing

Thomas Boysen Anker, University of Glasgow, Scotland

Leigh Sparks, University of Stirling, Scotland

Luiz Moutinho, University of Glasgow, Scotland

Christian Grönroos, Hanken School of Economics, Finland

Structured Abstract:

Purpose: This paper discusses consumer driven value creation (value-in-use) across three different marketing logics: product dominant logic (PDL), service dominant logic (SDL) and consumer dominant logic (CDL). PDL conceptualises value as created by firms and delivered to consumers through products. SDL frames consumer value as a function of direct provider-consumer interaction, or consumer driven chains of action indirectly facilitated by the provider. Recently the research focus has been turning to consumer dominant value creation. While there is agreement on the significance of this phenomenon, there is disagreement over whether consumer dominant value creation is an extension of SDL or calls for a distinct CDL. The purpose of this paper is to provide an analysis of the ontological and semantic foundations of consumer dominant value creation to clarify the extent to which the call for a distinct CDL is justified.

Approach: This is a conceptual paper, which is informed by five cases of consumer dominance. The cases are used to clarify rather than verify the analysis of the ontological and semantic underpinnings of consumer dominant value creation.

Findings: The ontological and semantic analysis demonstrates that PDL and SDL have insufficient explanatory power to accommodate substantial aspects of consumer dominant value creation. By implication, this supports the call for a distinct CDL.

Originality: This paper contributes to the ongoing theoretical debate over the explanatory power of SDL by demonstrating that SDL is unable to accommodate important ontological and semantic aspects of consumer driven value creation.

Keywords: Marketing logics, consumer value, product dominant logic, service dominant logic, consumer dominant logic

Article Classification: Conceptual paper.

Introduction

Consumer value creation is one of the most fundamental concepts in marketing (Gallarza, Gil-Saura and Holbrook, 2011; Holbrook, 1999): consumers engage in marketing exchanges because they have a basic expectation that doing so will be

worthwhile. Value creation entails becoming better off in the sense that consumers' overall well-being increases as a result of accepting a proposed marketing offering (Grönroos and Voima, 2013; Nordin and Kowalkowski, 2010; Vargo and Lusch, 2008). For businesses, long-term sustainable growth is conditional on delivering sustained consumer value. Holbrook's work on axiology comprises one of the most influential definitions: consumer value is an 'interactive relativistic preference experience' (1999, p. 5). This means that in order for consumer value to emerge a consumer has to interact with a corporate object (product/service) in ways that generate a positive experience in the mind of the consumer and thereby satisfy a personal preference in a given situation. The focus on particular situations is crucial because it indicates that the experience of consumer value fluctuates relative to contexts of consumption, suggesting a need for a multi-tiered definition of value targeted at different types of consumption.

This paper operates with three main types of consumer value creation, namely product dominant logic (PDL), service dominant logic (SDL) and consumer dominant logic (CDL). Our main contribution is to demonstrate – using five short cases – that consumers engage in value creation practices that comprise ontological and semantic characteristics, which the established marketing logics, PDL and SDL, cannot explain. We thereby further develop Heinonen et al.'s (2010) seminal conceptual developments of customer dominance (reframing it consumer dominance) and substantiate their call for a distinct CDL. In terms of the ontological nature of consumer dominance, we argue that PDL and SDL are unable to explain three dimensions: value creation processes; the relational status between providers and consumers; the replication of product and service qualities and properties. With respect to the semantics of consumer dominance, we demonstrate that two influential theories (the reference and mentalist theories of meaning) are capable of meaningfully explaining key aspects of consumer dominant value creation. However, we find both of these theories to be incompatible with the theoretical assumptions of PDL and SDL, suggesting that consumer dominance has a unique semantic structure. We provide both research and managerial implications of our conceptual development.

According to PDL, consumer value is delivered by and through products. A given product has a set of features and properties and the product delivers value to the consumer through correct application and usage of the product. Value is thereby created and defined by providers and delivered to consumers. SDL objects to the passive role of the consumer as a receiver of value and details how consumers and providers interact in order to co-create value (Grönroos, 2006a, 2006b, 2008; Vargo

and Lusch, 2004, 2006, 2008). Value co-creation takes place when interactions between providers and consumers are fundamental to the consumers' positive perception of the value of the marketing offering. Whilst services have a set of specific features and properties, the materialization of these characteristics is conditional on and partly shaped by the consumer interactions with the service provider.

Both PDL and SDL are well-established in the literature, with SDL influencing marketing theory development (Grönroos, 2011; Karababa and Kjeldgaard, 2013). However, recent research on value creation focuses on consumer dominance (Grönroos and Voima, 2013; Heinonen et al., 2010). Consumer dominance occurs when consumers interact with a corporate entity (e.g., a brand or product) independently from any relations with corporate agents and in ways that have a potential to impact significantly on corporations, for better or worse. The value-in-use concept has recently been re-developed to account for situations in which consumers create value independently from interactions with providers (Grönroos and Gummerus, 2014; Grönroos and Voima, 2013). The value creation process is seen as taking place through a chain of three successive spheres: provider sphere (value facilitation), joint sphere (value co-creation) and a consumer sphere (value-in-use). Although there is agreement on the significance of consumer dominance (Achrol and Kotler, 2012; Fournier and Avery, 2011; Pitt et al., 2006), marketing theorists disagree over the phenomenon's conceptual structure. Grönroos and Voima (2013) contextualize consumer dominant value creation as a SDL concept that explains indirect forms of co-creation. By contrast, Heinonen et al., (2010, p. 534) argue that customer dominance calls for a distinct CDL, because both PDL and SDL are heavily provider oriented and therefore cannot fully account for consumers' value creation processes:

"A CD [customer dominant] marketing logic here refers to a view that positions the customer in the center, rather than the service, the service provider/producer or the interaction or the system. It is thus not a subset of a SD [service dominant] logic but rather a different perspective."

Heinonen et al. (2010) employ the term 'customer dominant', whereas we prefer and utilise the term 'consumer dominant'. There are conceptual and pragmatic reasons for this. Conceptually, the term 'customer' is logically linked to a provider or seller: by definition a customer is someone who is agreeing to engage in a value creation relation with a provider. In contrast, the term 'consumer' implies some sort of engagement with entities supplied by providers, but to be a consumer you need not

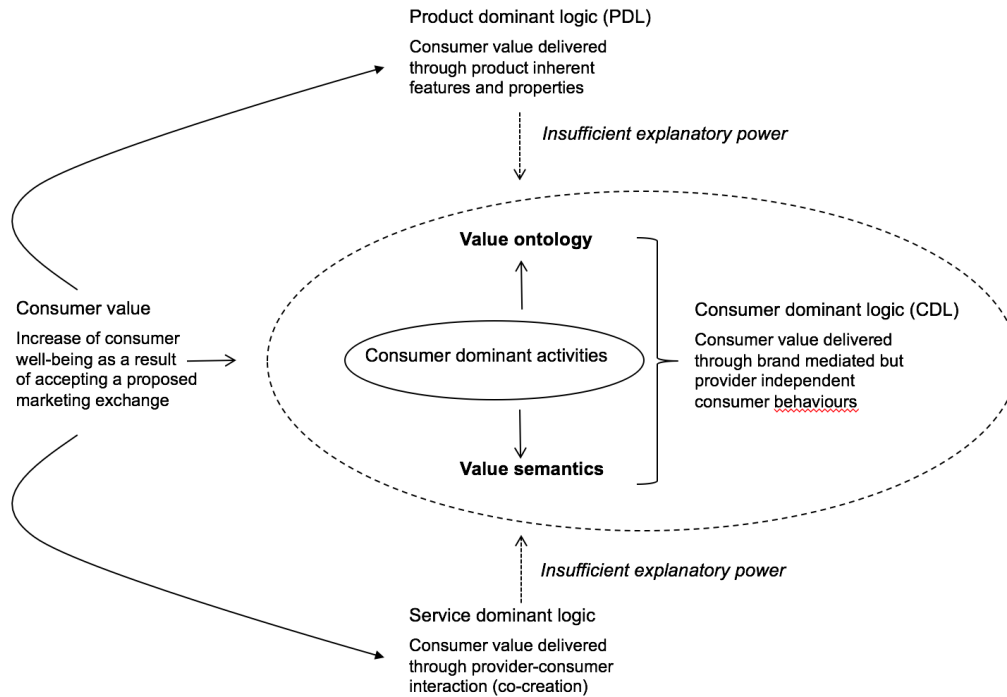
participate in an intersubjective relation with a provider or seller. Consumption practices, and thereby value-in-use, are often disconnected from any direct relations to providers. Pragmatically, there is a tendency in recent research on marketing value to branch out from the notion of customer value and incorporate the broader notion of consumer value. A case in point is Holbrook, whose seminal early work on value employed the term customer value (1994, 1996), whereas his more recent work branches out and includes the broader notion of consumer value (1999). However, whilst we recognize that there is some terminological confusion as important contributions conflate customer and consumer value and sometimes treat them as equivalent constructs (e.g., Gallarza, Gil-Saura and Holbrook, 2011), we believe that consumer value is the correct term to use in this paper.

We anticipate significant disagreement over the extent to which consumer dominance genuinely call for a distinct marketing logic. In particular, marketing theorists philosophically committed to SDL are likely to argue that provider-independent consumer behaviours characteristic of consumer dominance are implicit in SDL, given its actor-to-actor focus (Grönroos and Voima 2013; Grönroos and Gummerus, 2014; Moeller et al., 2013). By implication, this would mean that this paper's response to Heinonen et al.'s (2010) call for a customer dominant logic is fundamentally misguided and based on an unreasonably narrow interpretation of SDL. To address this critique, we provide an in-depth discussion of Grönroos and Voima's (2013) recent attempt to extend SDL to account for consumer independent value creation. It appears that consumer driven value creation within SDL is causally linked to provider facilitation and prior stages of provider-consumer co-creation.

To further clarify our position on the interplay between marketing logics, we make explicit the following three assumptions. (a) Any given marketing logic, L, theorises a significant domain of marketing, D, in contrast and to the exclusion of other marketing logics. This is the condition of domain-specific epistemic primacy. (b) Each domain, D1-Dn, belongs to a Super Domain, SD, which constitutes marketing science and practice per se. (c) No logic enjoys epistemic primacy over SD. This is the condition of cross-domain epistemic relativity. In our context, this means that PDL and SDL both uniquely theorise a significant domain of marketing, but that they are also part of the same Super Domain, in which neither of them is epistemically privileged. The same holds for CDL: consumer dominance, we argue, poses a unique domain of marketing a full theoretical understanding of which requires a domain specific logic, CDL. However, CDL does not range over all domains in SD and, thereby, does not deplete other logics.

Vargo and Lusch (Lusch and Vargo 2006; Williams 2012) would find our assumptions to be unsound, because they conceptualise SDL as a Super Logic ranging across all marketing domains and, thereby, constituting a general theory of marketing.¹ Although foundational premises are not to be proved in that they are the assumptions from which knowledge claims can be derived, they still need justification. Tadajewski and Saren's (2009) paper on the historic development of relationship marketing supports our assumptions and, by implication, dismisses the claim for SDL to be a uniquely privileged logic of marketing, by demonstrating that relationship marketing (the forerunner logic to SDL) and goods oriented exchange marketing (PDL) have co-existed over a significant timespan. Holbrook's (1996, 1999) influential definition of consumer value cited in the opening paragraph substantiates our position on field-specific logics by implying that consumers' evaluative judgments are context-dependent and change from situation to situation. Finally, critics may agree with the description of epistemic domain specificity as set out above and still hold that SDL can explain all significant occurrences of CDL, thereby assuming our premises but not our conclusion. We address this objection at length in the sub-section 'Consumer dominant value ontology'.

The paper is organised as follows. First, we outline the specific PDL and SDL notions of consumer value, reviewing core literature against the AMA (2008) definitions of marketing. The review concludes with PDL and SDL value propositions. We then present five cases of consumer dominant activities and analyse the underpinning value ontology and semantics. We encapsulate the analysis into a CDL value proposition. Finally, we discuss key research and managerial implications. Model 1 provides an overview of the paper's argument and contribution. The Appendix provides definitions of the paper's core constructs.



Model 1. Flow chart of the main argument of the paper: PDL and SDL cannot explain the specific ontology and semantics linked to consumer dominant value, which may call for a consumer dominant logic.

Model 1. Flow chart of the main argument of the paper: PDL and SDL cannot explain the specific ontology and semantics linked to consumer dominant value, which may call for a CDL.

Consumer value in the product and service dominant logics

The evolution of the concept of value creation in marketing can be considered through the AMA (2008) definitions of marketing (see table 1).

Year	American Marketing Association (AMA) Definitions of Marketing
1935	Marketing is the performance of business activities that direct the flow of goods and services from producers to consumers.
1985	Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives.
2004	Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.
2007	Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Table 1. Overview of the AMA definitions of marketing from 1935-2007.

The original 1935 AMA definition clearly reflects PDL. It views marketing as a business performance that directs the flow of goods and services from businesses to consumers. Marketing is a mono-directional type of corporate agency aiming at individual consumers or groups. Consumers are systemic needs in the marketing process and appear as passive objects for marketing actions: they are influenced by, but exercise no significant influence over, marketing functions. Accordingly, consumer value is conceptualized as a managerially constructed property delivered by and through a marketing offering. Products and services deliver functional value to consumers by solving specific problems (e.g., cars solve the need for transportation, toothpaste for hygiene, food for hunger) by means of properties and features inherent in the marketing offerings (Anker et al., 2012). On the other hand, marketers deliver symbolic value by creating and managing social contexts that influence consumers to associate users of specific products or services with desirable social ideals and norms (Chernatony, 2006; Keller, 2008; Park, et al., 1986). It is these consumer-external powers that create value.

During the 1980s, marketing theorists challenged the objectification of consumers as passive agents and receivers of value (Berry, 1983; Grönroos 1989; Sheth et al. 1988). The critique of PDL gradually materialised into an entirely new marketing philosophy, the focal point of which is the mutual chains of influences between marketers and consumers. PDL does not acknowledge the active role of consumers in communication processes and, most fundamentally, cannot accommodate the new insight that consumers are active co-creators of value (Grönroos, 2006a, 2006b; Gummesson, 2008; Merz et al., 2009; Vargo and Lusch, 2004, 2008). Broadly, value co-creation occurs when interactions between providers and consumers are fundamental to the consumer's positive perception of the value of the marketing offering.² These groundbreaking insights coincided with the first revision of the original AMA definition, taking place in 1985. Although AMA beyond doubt intended the revised 1985 definition to reflect and encapsulate the new movements and developments, which PDL – condensed in the 1935 definition – cannot accommodate, Grönroos (1994) argues convincingly that the revision is a definitional laggard, because of its heavy reliance on the marketing mix framework (4Ps), developed back in the 1960s (McCarthy, 1960).

In 2004, AMA launched their third revised definition. This time, the explicit reference to consumer relationships clearly reflects the relational thinking. However, Grönroos (2006b), once again, effectively argues that the revised 2004 definition only apparently embodies the new relational thinking, because the meaning of consumer

relationship is not genuinely relational. The revised definition conceptualizes marketing as a process 'for managing consumer relationship' (AMA 2008). Thus, the new definition still features PDL's baseline assumption that consumers – in their capacity of passive agents – are objects of corporate agency, orchestrated through managerial frameworks.

Although Grönroos justifiably claims that the AMA 2004 definition does not acknowledge the active, co-creative role of consumers in marketing value-chains, one should not forget that this author – together with Vargo and Lusch – are, at the time, thought leaders. They drive the theoretical formation of a new marketing logic, which – when AMA developed the revised definition launched in 2004 – had not yet received a full theoretical description. It is easy to disdain the 1985 and 2004 definitions, because they – seen in the rear mirror of history – so clearly fail to catch the 1980s spirit of the new marketing philosophy and its emphasis on consumer involvement, co-creation and relationship building. However, the relational and process-oriented approach that views consumers as value co-creators first emerges as scattered streams of thinking that actually do not coalesce in a unified theoretical framework until Vargo and Lusch publish their seminal paper, *Evolving to a New Dominant Logic for Marketing*, in 2004 and Grönroos publishes his equally influential paper, *On Defining Marketing: Finding a New Roadmap for Marketing*, in 2006. In stating this, there is no denying that relationship thinking and consumer co-creation have been discussed long before the publication of these papers (Tadajewski and Saren, 2009). Yet, considering the academic impact as well as the conceptual depth of these papers, it is fair to say that they theoretically manifest the paradigmatic status of relational thinking – for which Vargo and Lusch (2006) coin the label 'service dominant logic'.

This interpretation feeds logically into the observation that the current AMA definition launched in 2007 is the first one to respond actively to the relational thinking, which dominates contemporary marketing theory. The 2007 definition states that marketing is a process-oriented value-creating activity, but – and this is the sign of responding to the relational logic – these value generating processes are *not* tied to organizations and corporate agency. By characterising marketing as a set of activities and processes that create value for customers, and by deliberately underdetermining which agents are carrying out these activities and processes, the definition is substantially different from all previous ones: it is logically compatible with a service dominant view of value creation. Thus, the 2007 definition conservatively – yet actively – responds to the emerging SDL insights and view of consumers as active co-creators of value by defining value as an activity and

process that may emerge from the actions of a range of different types of agents (e.g., providers, stakeholders and consumers).

Although acknowledging that the 2007 definition reflects aspects of SDL, Lusch (2007, p. 261) argues that it does not go far enough to encapsulate the concept of value co-creation. 'In terms of the practice of marketing, the definition does not provide sufficient focus on collaboration and cocreation activities; in terms of the domain of marketing, the definition needs to recognize marketing more explicitly as a societal process; and in terms of the emerging dominant logic, the definition needs to pay particular attention to adaptive social and economic processes.'

In hindsight, it makes perfect sense that the 1985 and 2004 definitions are fluid and indeterminate with regard to relational constructs, because they are attempts to formulate a new marketing logic that was still very much in the making. Connecting to the Kuhnian (Kuhn, 1962; Nickles, 2003) framework of paradigmatic changes in the history of science, one can argue that historical evidence suggests that the 1985 and 2004 definitions fail, because they are crafted in a pre-paradigmatic period where the marketing domain keeps producing a number of anomalies (e.g., process-orientation, value co-creation). The available evidence cannot accommodate these anomalies and they are left unexplained until Vargo/Lusch and Grönroos manifest the new logic/paradigm in their groundwork papers.

We are now in a position to formulate three propositions that encapsulate the differences in PDL and SDL regarding the concept of consumer value as clearly expressed in the 1935 and 2007 definitions and tentatively reflected in the intermediary, pre-paradigmatic 1985 and 2004 definitions.

PDL value proposition

- Marketing offerings are material or immaterial entities with a set of specific features and properties, which solve consumer needs through correct use and application and thereby deliver consumer value.

SDL value proposition

- Marketing offerings are material or immaterial entities whose features and properties are functions of consumer-provider involvement and thereby deliver value through patterns of reciprocal behaviour, which solve consumer needs.

Evolutionary value proposition

- Marketing has moved from PDL that considers consumer value as a managerial and corporate creation embodied in and delivered through a product or service, towards SDL where value is a complex function of

consumer co-creation, materializing in the interactions between consumers and providers.

This section has established the preliminary stage of our argument by outlining the notion of consumer value in PDL and SDL. The next sections develop the methodology and main argument of the paper.

Methods

This paper adopts a hybrid methodology: its main contribution is to support the nascent theoretical work on CDL (Heinonen et al., 2010) through conceptual clarification of the emergent logic's ontological and semantic foundations. At the same time, this conceptual contribution is supported by five empirical cases of consumer dominance. In this section we first outline our conceptual approach. This also allows us to position our conceptual contribution against the limited body of extant CDL research. We then describe our case study approach, explaining the specific method of case-based theorising as well as selection criteria.

Conceptual approach and positioning

In a recent overview of conceptual contributions in marketing, MacInnis (2011) maps four main approaches each of which breaks down into two subtypes: envisioning (identifying vs. revising); explicating (delineating vs. summarizing); relating (differentiating vs. integrating); debating (advocating vs. refuting). MacInnis also describes the main theoretical entities belonging to the domain of marketing research (e.g., constructs, relations, domains) as well as their differing epistemological functions (e.g., knowledge representation, action guidance). To describe the approach of our article as well as positioning its scholarly contribution against extant research, we draw on MacInnis' meta-conceptual framework as outlined in table 2.

Conceptual approach	Sub-approaches
Envisioning Discovers new phenomena or conceptualizes known territory in new ways	Identifying Identifies and describes emerging or overseen marketing phenomena
	Revising Represents established phenomena in a new way and provides a corrective to existing knowledge and received wisdom
Explicating Reveals general structures that tie together a number of different constructs, supported by references to empirical research or logical rationales	Delineating Outlines the ontological foundation of a given marketing phenomenon (landscape) and its relationships to other entities

	Summarizing Reduces complexity in a given domain by condensing large sets of constructs, data, or relations into overarching concepts
Relating Compares entities in a given domain in order to study the relationship between wholes and parts	Differentiating Analyses or decomposes a given entity into its basic constituents (i.e., necessary and/or sufficient preconditions)
	Integrating Provides a new perspective that represents a complex domain or set of constructs within one consistent framework of overarching concepts
Debating Describes and analyzes reasons that are taken to provide validity for a given proposition (e.g., idea, belief, claim, or hypothesis)	Advocating Argues that a number of reasons justify a given proposition
	Refuting Argues that a number of reasons demonstrate that a given proposition is unjustified

Table 2. *Overview of conceptual approaches and sub-approaches in marketing research. Adapted from MacInnis (2011).*

Aiming for phenomenon identification and delineation, Heinonen et al. (2010) claim that SDL is unable to account for customer dominant phenomena in the actual domain of marketing. The core argument relies on an ontological description of consumer dominance as well as an outline of anticipated managerial challenges (e.g., lack of control, facilitation of consumer-created brand values). Along the same lines, Fournier and Avery (2011) provide an ontological description of four different themes in consumer dominant branding (e.g., social collectives, transparency, criticism and parody) as well as discussing managerial implications. By contrast, Grönroos and Voima (2013) summarise and revise PDL and SDL literature on value creation, arguing that the core of value creation belongs to firm-independent spheres where consumers create value through accumulated in-use experiences with resources, processes and contexts over time. In their view, value co-creation takes place in limited joint spheres where businesses and consumers meet in direct encounters. Our article is the first to adopt a relating approach: we compare and analyse differences between two main constructs (e.g., consumer value and communicative relationship) occurring in three different paradigms, belonging to the same Super Domain. Furthermore, we employ both relational subtypes: relational differentiation by describing core differences between the established and emerging paradigm; relational integration in terms of accommodating paradigmatic anomalies

by crossing academic boundaries and applying a theoretical framework not previously used in marketing (i.e., reference and mentalist theories of meaning developed in analytic philosophy of language). Table 3 represents the different conceptual approaches in consumer dominant studies.

Existing research on consumer dominance	Conceptual approaches					
	Envisioning		Explicating		Relational	
	Identify	Revise	Delineate	Summarize	Differentiate	Integrate
Heinonen et al. (2010)	+	-	+	-	-	-
Fournier and Avery (2011)	+	-	+	-	-	-
Grönroos and Voima (2013)	-	+	-	+	-	-
Anker et al. 2015 [this article]	-	-	-	-	+	+

Table 3. *Conceptual approaches in research on the emerging consumer dominant paradigm.*

A number of studies are borderline consumer dominant in the sense that they address consumer dominant phenomena (such as value creation in brand communities (Schau, et al. 2009)), but within the boundaries of the explanatory insufficient SDL. In a recent article on marketing paradigms in the third millennium, Achrol and Kotler (2012) mention bottom-up consumer activities initiated by firm-independent consumer communities. Despite bottom-up, consumer driven marketing models clearly falling within the emerging consumer dominant paradigm, Achrol and Kotler do not contribute to the theoretical understanding of the new paradigm, because their conceptual framework is an extension of SDL. Their article merits consideration here because it anticipates consumer dominant activities as having the potential to revolutionise important areas of the marketing domain. Pitt et al.'s (2006) seminal contribution on open source branding lends itself to a consumer dominant interpretation, but nevertheless unfolds within SDL due to a strong emphasis on the coalescence of producers and consumers into 'prosumers'. However, Pitt et al. provide important directions for future research into open source branding that equally apply to consumer dominance. Building on the notion of open source branding, Rindell and Strandvik (2010) argue that in order to understand the evolution of brand images and brand heritages in the mind of consumers,

researchers need to transcend both PDL and SDL. However, they do not provide a consumer dominant explanation.

Case study approach

Table 4 presents five cases of consumer dominance. We now describe what type of case study they represent as well as our three selection criteria. The following section then analyses the cases.

Case	Case description	Agency	Marketing concept	Marketing impact
50 Shades of Grey	<p>E. L. James' blockbuster novel, 50 Shades of Grey, is reportedly the fastest selling book ever, outpacing Harry Potter. The emergence of the book is controversial because it is originally written as Fan Fiction, which is an emerging genre where fans rework original works of fiction into new narratives. 50 Shades of Grey first appeared as fan fiction reworks of the Twilight series.</p> <p>It is an example of consumer dominance because it demonstrates how an individual consumer manipulates a commercial product in ways that have profound impact on marketing and business. The aspect of consumer dominance is further emphasized by the fact that the fundamental actions (i.e., reworking the commercial product) took place in consumer-autonomous contexts (i.e., online community) with no functional links to publishers or other types of corporate agents.</p> <p>Sources: (Boog, 2012; Kellogg, 2012)</p>	Individual	Consumer generated content	New product development
Coca Cola and Nutella	<p>Coca Cola's and Nutella's Facebook pages were originally created and cultivated by consumers. These consumer created pages became hugely popular, attracting millions of viewers and consumer-brand interactions. Due to legal issues, the brands had to take control of the Facebook pages, but they keep a decidedly back-seat role, leaving fans as much in charge as possible.</p> <p>These are cases of consumer dominance because consumers, initially, created and controlled the online communities independently from any functional relations to the corporations owning the brands.</p> <p>Sources: (Fournier and Avery, 2011)</p>	Individual	Consumer generated content	Customer loyalty
Run-D.M.C.	<p>During the 1980's, the hip-hop group, Run-D.M.C., developed a signature fashion style and group image intimately connected with the sports brand, Adidas. The group wore Adidas tracksuits and Adidas sneakers with no laces and the tongue pushed out to imitate fashion among black prison inmates. In 1986 they devoted a rap, My Adidas, to the brand and lyrically expressed the brands embodiment of their attitude to life. The rap became a megahit and transformed Run-D.M.C.'s signature style into a global fashion statement adopted by crowds of fans. When playing gigs, fans would take off their Adidas sneakers and wave them in the air.</p>	Social group	Consumer brand narratives	Sponsorship

	<p>Subsequently, Adidas approached the group and signed a historical 1.6 million dollar product endorsement deal.</p> <p>Run-D.M.C.'s creative use of the Adidas brand is an example of consumer dominance, because they profoundly impacted on a significant number of consumers' perception of the brand image before the corporation offered a sponsorship deal.</p> <p>Sources: (Britannica, 2012a,b; Ro, 2005)</p>			
Lonsdale	<p>During the 1990's, right-wing extremists adopted the boxing brand, Lonsdale. A public ban on racist symbols caused right-wing extremists in Northern Europe to work creatively with brand narratives to find a vehicle to express their racist values. Lonsdale became a popular brand of choice: when wearing their branded shirts under an open jacket only the following brand letters were visible: NSDA. According to the unwritten, semantic rules among the extremists, these letters were a direct reference to NSDAP, Hitler's Nazi party. Profits plummeting, Lonsdale decided to fight back by launching the humanistic counter-marketing campaign, 'Lonsdale Loves All Colours'.</p> <p>This is an example of consumer dominance because the right wing extremists' conscious use of the brand changed the brand associations in a wider consumer group, with dramatic impact on overall brand performance.</p> <p>Source: (Rieker et al., 2006)</p>	Social group	Consumer brand narratives	Counter marketing campaign
Burberry	<p>Established in 1856, Burberry soon came to epitomize the cultivated taste of the posh, conservative upper class. The high end brand position was unchallenged for nearly 150 years, but came under pressure in 1990s. In Britain in the 1990s, young, white, lower-middleclass men and women, popularly known as "chavs", adopted Burberry as their favourite clothing brand. Chavs were particularly interested in entry-level items such as baseball caps, t-shirts and sunglasses with clearly visible prints of Burberry's signature check. On numerous occasions, chavs were involved in social disorder, violence and football hooliganism, resulting in a club and pub ban on brands associated with chav culture. Burberry included. The association to chavs tarnished Burberry's brand image and upset the core customer base. The brand responded by removing their signature check from most of their products and out-facing entry-level product lines likely to appeal to chavs. At the peak of the chav challenge in the early 2000s, Burberry's signature check was to be found on roughly 20% of products. By 2004, as a response to the challenge, less than 5% of Burberry products bore the check.</p> <p>The Burberry case is an example of consumer dominance, because the specific consumer-initiated brand narratives unfolding as class-identifiers in a very large group of consumers dramatically impacts on the brand image in the core target group.</p> <p>Sources: (BBC, 2004; Bothwell, 2005; Economist, 2011; Hayward and Yar, 2006)</p>	Class	Consumer brand narratives	Product repositioning

Table 4. *Examples of consumer dominant activities with significant marketing impact.*

Case study type. Welch et al. (2011) distinguishes amongst four different types of theorising based on case studies. First, within the broad domain of business research theorising from case studies have predominantly been inductive: Eisenhardt's (1989; Eisenhardt and Graebner, 2007) positivist model of how to use cases to develop and test hypotheses is frequently used (Welch et al., 2011). Second, Yin (2009) has developed a theory of how case studies can be used as natural experiments to explain complex human and organisational relations in business settings, rather than develop and test hypotheses. Third, Welch et al. (2011) argue in favour of employing case studies as part of a wider contextual epistemology allowing for culturally grounded understanding of causal correlations in business relations. Finally, Stake (1995, 2005) advocates for employing cases as tools of interpretive sense-making. Here the focus is on understanding the particularity of a given social occurrence and the uniqueness of a given set of situations, seen from the point of view of one or more individual, subjective agents.

Given that the aim of this study is to understand how individual consumers create value independently from provider relations, we adopt this latter case study as interpretive sense-making approach.

Case selection criteria. Table 4 comprises the main selection criteria: agency (case identification), marketing concept (case relevance), and marketing impact (case significance). Agency was used as a criterion to aid the identification of actual cases of consumer dominance. In terms of agency, case identification started off from the intuitive assumption that consumer dominant phenomena likely consist of chains of events, which causally can be traced back to actions taken by an individual consumer. Initial selection was therefore based on whether the case had a strong element of individual, consumer-driven agency. However, pilot-analysis of the first round of cases demonstrated that consumer dominance sometimes occur at the level of social group agency and even social class. The identification of consumer dominance across the three levels of agency is confirmed by extant literature. Individual and social group agency occurs in much of the research on consumer-brand relationships (Joy and Li, 2012; Arnould and Thompson, 2005; Fournier, 1998). However, we also managed to ground against extant research the more controversial finding that consumer dominant activities may take place at class agency level: Hayward and Yar (2006) argue that 'the chav phenomenon' reported in

case five (Burberry) represents a popular reconfiguration of the underclass idea in terms of social stratification.

The criterion of marketing concept was used to ensure that the cases identified via the agency criterion were of genuine relevance to marketing. Operationally, this meant that a case would only be considered for inclusion if a substantial marketing concept would be needed to explain and understand the action outcomes as well as underlying motivations. For example, to make sense of the consumer dominant activities in cases three-five the concept of consumer brand narrative as well as an understanding of how consumers use brands as narrative material to construct and express self-identity is necessary.

Finally, we narrowed down the set of potential material to the selected five cases based on the extent to which the consumer dominant activities have had any significant impact on the wider domain of marketing. Consequently, four of the cases presented have caused decisive marketing responses (i.e., product repositioning, counter marketing campaign, new product development, sponsorship). One case is significant due to its impact on other consumers (i.e., consumer loyalty).

Conceptual development: Consumer dominance as paradigmatic anomaly

We now put the five cases of consumer dominance into context through a comparative ontological and semantic analysis, which contrasts CDL against PDL and SDL.

Consumer dominant value ontology

The value ontology of PDL, SDL and CDL differ with respect to their ontological processes, relational status and the replication of product/service properties. Table 5 summarizes the differences.

Value ontology	PDL	SDL	CDL
<i>Value concept</i>	<i>Product value</i>	<i>Value co-creation</i> <i>Value facilitation</i> <i>Value-in-use</i>	<i>Consumer created value</i>
<i>Ontological processes</i>	Objective	Provider facilitated inter-subjectivity	Subjective or consumer facilitated inter-subjectivity
<i>Relational status</i>	Intransitive provider-consumer relation	Necessary transitive provider-consumer relation	Contingent transitive consumer-provider relation
<i>Replication of product/service properties</i>	Homogeneous replication	Heterogeneous replication	Autonomous replication

Table 5. *Value ontology of PDL, SDL and CDL.*

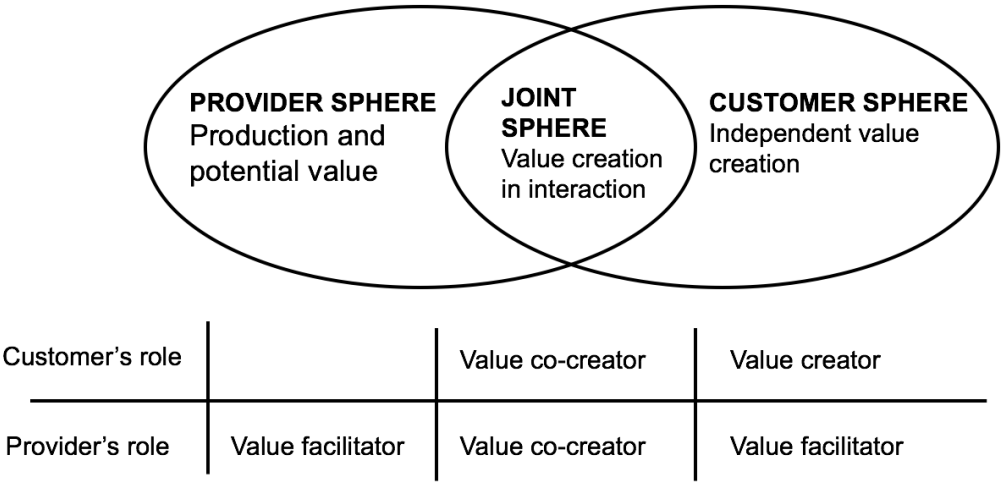
Ontological processes. Value theory concerns the specific nature of values (ontological status), their connectedness to fields (e.g., sociology, biology), domains (e.g., epistemology, ethics) and constructs (e.g., agent-relativity, universality) as well as the processes from which value emerges (Schroeder, 2012). Here, the focus is on the ontological processes that lead to the creation of consumer value.

Before analysing the ontological value creation processes, it is important to clarify that we operate from the basic ontological assumption set out in Vargo and Lusch's (2004) pioneering SDL paper that consumer value is always a subjective entity in the mind of individual consumers. This means that PDL has no explanatory power in terms of consumer dominant value ontology, because the logic is unable to accommodate occurrences of subjective value. In the weakest sense, PDL value is a function of managerial intent delivered through marketing communications (i.e., symbolic value). In the strongest sense, PDL value is a function of product inherent properties delivered through satisfying specific customer needs (functional value). In both cases, however, value is objectively embedded in products or defined through managerial communications.

Consequently, we argue that the value creation processes that lead to the creation of subjective value differ with respect to SDL and CDL. Our argument is twofold. First, we demonstrate that the revised SDL model of value creation (Grönroos and Voima, 2013; Grönroos and Gummerus, 2014; Moeller et al., 2013), which aims at integrating consumer dominant value creation, conceptualises consumer value as an inter-subjective process, whereas comparable CDL processes may be purely subjective. Second, we argue that although both CDL and SDL value creation processes may be inter-subjective, the two logics operate with different types of inter-subjectivity.

Subjective value creation processes are documented in the first case (50 Shades of Grey) in table 4. The case is an example of a broader category of consumer dominant activities – fan-fiction – where people engage with commercial works of fictions (i.e., products) and re-write them. Although fan-fictions are frequently shared on online community platforms (e.g., FanFiction.Net), a crucial part of the value creation process lies in the subjective experiences correlated with the actual process of re-writing existing works of fiction. In this case the main consumer dominant value creation processes are subjective. Although SDL holds that value is a subjective entity, the logic is still unable to account for the subjective value creation

process in the case. To explain why, it is necessary to review Grönroos and Voima’s (2013) recent model of value creation spheres (see Model 2).



Model 2: Grönroos and Voima’s (2013) model of value creation spheres.

As mentioned in the introduction, the model describes the value creation process as materialising progressively through three successive spheres: provider sphere (value facilitation), joint sphere (value co-creation) and a customer sphere (value-in-use). The explicit description of the providers’ role in value creation explains why SDL cannot operate with value creation processes originating from subjective consumer processes. Providers (businesses) play an active role throughout all three spheres: in the provider sphere the provider is a value facilitator; in the joint sphere the provider is a value co-creator; and, finally, in the customer sphere the provider is yet again an active, although indirect, value facilitator. This implies that the independent value creation of the consumer is significantly influenced and shaped by corporate agency and provider co-creation. Thus, the most advanced and up-to-date work on SDL value-in-use conceptualises providers as influencing the value creation processes throughout the entire value creation chain. The type of provider involvement changes from direct to indirect, but the revised SDL framework very clearly outlines consumer created value (value-in-use) as linked to provider value facilitation and co-creation. SDL value creation processes are thereby fundamentally inter-subjective. With respect to the subjective processes of value creation documented in case one, it is therefore reasonable to infer that SDL does not have adequate explanatory powers.

Now we will address the difference between SDL and CDL inter-subjective processes. SDL seems to be in a strong position to explain inter-subjective consumer dominant values (cases two-five). In particular, one may argue (a) that Grönroos and Voima's (2013) rejection of the original SDL premise that value is always co-created, and (b) their introduction of the corrective premise that the consumer is always the value creator, (c) empower SDL with an additional theoretical lens through which consumer dominant value creation can be explained. Moreover, as one might expect inter-subjective consumer dominant value to be the predominant type, one could expect SDL to possibly accommodate all significant elements of consumer dominance. Since all logics or paradigms face a number of borderline counter-examples and anomalies, SDL may be the overpowering logic of contemporary marketing.

On closer scrutiny, SDL ontological processes are relevantly different from consumer dominant value creation processes. Grönroos and Voima's (2013) revision of the original premises of SDL certainly increases the explanatory power of the logic and enables explanation of a range of consumer value creation processes, which take place outside any direct interactions with providers. However, the revised SDL nevertheless portrays consumer value creation (value-in-use) as the end product of a three-stage progressive process of value creation, which means that customer-to-customer value creation processes are – by definition – connected to provider facilitation and an earlier stage of consumer-provider co-creation (Grönroos and Voima, 2013; Grönroos and Gummerus, 2014; Moeller et al., 2013).

The conceptual nature of most studies on value creation implies that exemplifications of actual situations of consumer value creation are sketchy. In an empirical study of the antecedents of consumer-to-consumer value creation, Gruen, Osmonbekov and Czaplewski (2007) provide an elaborate description of how consumer-to-consumer value creation actually takes place. Interestingly, their examples are very closely tied to direct service provider interactions as well as consumer utilisation of resources in provider-defined contexts of consumption.³ Thus, the most recent revisions of SDL specifically targeted at incorporating consumer dominance (Grönroos and Voima, 2013; Grönroos and Gummerus, 2014) as well as empirical evidence of the antecedents of consumer created value-in-use emphasise provider facilitation with respect to consumer driven value-in-use.

The continued SDL insistence on provider facilitation of value-in-use means that it cannot adequately explain inter-subjective consumer dominant value creation. In cases three-five, value emerges through consumer-to-consumer interactions, which are enacted in contexts where providers or brands do *not* occur as value

facilitators, neither directly nor indirectly. In the Lonsdale and Run-D.M.C. cases, for example, the symbolic value, which the brands bring to the relevant consumers/social groups, is not linked to provider value facilitation. The consumer driven semantic reconfigurations of the brand meanings are so radically different from the official, managerially influenced brand universe that the notion of provider facilitation is inapplicable. This is further substantiated by the consumer created brand meanings in the Lonsdale case, which are detrimental to the brand image and influences the brand to launch a counter marketing campaign to re-establish its intended brand identity.

Relational status. The relational status between providers and consumers differs across PDL, SDL and CDL with respect to transitive characteristics. In PDL and SDL, product and service providers are necessarily linked to their consumers, though in different ways. On the one hand, PDL is based on marketing exchanges, i.e., the exchange of goods or services for money. This exchange relation is *intransitive*: providers have the power and ability to influence consumers in a given respect without consumers having comparable powers and ability to influence providers. Consumers are passive receivers of marketing value delivered by firms through products.

On the other, the relational status of SDL is *necessary transitive*: when co-creating value, providers and consumers exercise their power and ability to influence each other reciprocally with respect to a shared goal. The relation is *necessary*, because consumer value always emerges from direct or indirect consumer-provider interactions. Informed by Grönroos and Voima's (2013) revision of SDL foundational premises and the incorporation of consumer created value into the SDL model, one may argue that SDL processes are *not* necessarily transitive. However, the above discussion of the revised SDL framework made it clear that SDL value creation is a progressive development, evolving through stages of active provider value facilitation and provider-consumer co-creation. The SDL value concept is thus necessarily connected to provider agency and co-creation and, thereby, evolves from transitive provider-consumer relations. This indicates a necessary transitive relational status.

The CDL relation between consumers and providers is *contingently transitive*: consumers may choose to involve brands in their activities, but they need not. Cases one-three provide examples of CDL activities, where consumers decide to engage brands in further product development activities or sharing and creation of on-line content (i.e., transitivity). By contrast, cases four and five demonstrate CDL activities that conflict with commercial brand images and where consumers have a hostile

attitude to the brand owners. As a consequence, no transitive relation is embarked on. Insights from social systems theory explain the notion of contingent transitivity as employed in this discussion. According to Luhmann (1995, 2006), social systems are closed networks of communications, which are always capable of connecting to the external environment: whether this connection is embarked on relies on the actions of the social agents belonging to that system. In our context, this means that the relevant consumer groups have the option to invite brands to co-create (i.e., embark on a transitive relation as in cases one-three), but they need not establish any contact to the external environment and the semantic system may remain closed to other social systems (contingent relational transitivity as in cases four and five).

Replication of product and service properties. As consumers, we expect that products and services will actually do what marketers promise they will do. This is an expectation of the replication of product and service properties. In PDL, value is delivered by brands through standardized products. This means that consumers expect a homogenous replication of the promised product properties. Moreover, products should replicate the same qualities to all consumers in relevantly identical situations. For example, a consumer purchasing X-type of smart phone, which promises the user to be able to navigate effectively all major cities of Europe via an integrated app, will expect the device to be able to provide precise travel directions in, say, Paris. Also, one will expect all other consumers purchasing the same type of smart phone to receive exactly the same travel directions under identical circumstances.⁴ If these conditions are not the case, the product does not deliver on its promise. This expresses an underlying expectation of homogenous replication of product qualities across relevantly identical situations and against promised product features.

In SDL, value is co-created. This fundamentally changes the replication relation from homogeneous to heterogeneous. Insofar as consumers are aware of the co-created nature of service value, they should expect different consumers to obtain different value from the same service offering, relative to the personal investment of time and effort into the service relationship. Also, consumers must expect the service experience to differ relative to the actual employees involved in facilitating the service. For example, an international postgraduate student should recognize that the value she gets out of her final degree is significantly conditional on the time and effort she puts into her studies. She must also expect the learning experience at her university to vary according to who is delivering the various

services (teaching, supervision, workshops, etc.). This expresses an underlying expectation of heterogeneous replication of service qualities.

CDL value creation differs significantly. The replication relation is neither homogeneous nor heterogeneous, but autonomous. For our purposes, a replication relation is autonomous when consumers have the power and ability to revoke and remake product properties as well as deconstruct and redefine brand meanings, according to their own ideas and independently from corporate interaction. Case one demonstrates the existence of autonomous product property relations where consumers deconstruct existing commercial products and creatively turn them into new products. Cases three-five establish an autonomous semantic brand relation where consumers deconstruct the semantics of various brands in order to create brand narratives whose meaning and social significance is entirely disconnected from the intended brand meaning.

Consumer dominant semantics

Two different types of semantic theories, i.e., mentalist and reference theories of meaning (Speaks, 2014), have significant explanatory power with respect to the five cases of consumer dominance. Interestingly, both theories are incompatible with the foundational assumptions of PDL and SDL.

Meaning as reference. The reference account of meaning concerns the specific semantic content of a given expression known as 'expression meaning'. The main distinguishing feature of reference theories is that they explain the meaning of expressions in terms of what the expressions refer to (Frege, 1892; Moore, 1993; Soames, 2012; Speaks 2014). Expressions obtain semantic content and are true or false in terms of their referential relation to their referent. To define, the semantic content of a propositional or symbolic expression, E, is determined by E's referent, R, as well as how the referential relation, R(e), between E and R has been established. The reference account of meaning provides a substantial explanation of how consumer dominant meaning emerges in three of our cases (three-five). In the Lonsdale case, for example, brand meaning is very clearly a function of consumer manipulation of semantic brand references. When the group of right wing extremists decides that the Lonsdale brand name contains a hidden code, NSDA, which refers to Hitler's Nazi party, NSDAP, the semantic occurrences involved in this action are obviously explainable in terms of the reference account of meaning. To this group of consumers, the meaning of the brand is not determined by the managerially intended meaning, but solely by attaching to the brand a new referent. Thus, the reference

theory of meaning has considerable explanatory power in terms of consumer dominant communications.

However, PDL and SDL are unable to incorporate the theory. PDL would have to hold that semantic referential relations between brands and their referents occur as functions of marketing agency. SDL, in turn, would have to hold that brands facilitate the creation of semantic referential relations and that these references are ultimately fixed through consumer-brand interactions. Neither of the logics can accommodate semantic brand activities of the referential sort that take place in contexts where no accessibility relation exists between the brand and its consumers.

Communicator's meaning. The mentalist account of meaning provides an alternate semantic framework, which is also capable of explaining important aspects of consumer dominant meaning creation. Mentalist theories assign meaning to expressions based on the mental representations of the communicator (Soames, 2012; Speaks 2014). Traditionally, these mental representations are belief states and intentions. The meaning of an expression, then, is a function of – not what it refers to – but what effects the agent intends to bring about in his or her audience. This is known as ‘communicators meaning’. To define, the meaning of a propositional or symbolic expression, E, is determined by what the communicator, C, intends E to mean for the targeted recipients, R. Thus by expressing E, C means that *p* to the extent that C – by communicating E – intends R to believe that *p* in light of C’s intentions (Davis, 2002; Grice, 1989; Neale 1992).

As with reference theory, the mentalist account provides substantial explanations of important aspects of consumer dominant semantics as occurring in the same three cases. For example, when Run-D.M.C. (case three) decide to wear Adidas sneakers without laces and the tongue pushed out, the unlaced sneakers become semantically associated with black inmate customs; not because they refer to this custom, but because the communicators intend this fashion statement to create in their target audience an association to this custom. Put differently, the referential relation between the expression (i.e., the sneakers as fashion statement) and the referent (i.e., black inmate customs) receives semantic content in light of and because of the communicators’ intentional states (i.e., their intention to trigger associations to prison fashion). Although it might be difficult to distinguish the mentalist from the reference theory, there is a substantial point of difference. Assume that Run-D.M.C. did *not* know about black inmate customs and simply intended this particular way of wearing the sneakers to be a random point of differentiation. In that case, this act would not have any semantic relation to black inmate customs,

although there might still be a strong referential relation. Thus, it is the mental act of intending, not the state of referring, that explains the meaning creation process.

Again, both established logics are unable to accommodate the semantic explanation. PDL would have to hold that it is the intentions of marketers that determine the meaning of brand related expressions. SDL, in turn, would have problems operating with mentalist accounts of meaning per se, because of the focus on co-created meaning: mental states are inherently bound to individual agents and, therefore, necessarily subjective. To accommodate mentalist explanations of meaning, SDL would have to make ad hoc assumptions about collective or shared mental states, which would make the logic rest on hard to justify metaphysical assumptions.

Consumer dominant proposition

The preceding sections have analysed important aspects of the ontology and semantics of CDL. Against that backdrop, the theoretical proposition below defines consumer dominant value creation.

CDL value proposition

- Marketing offerings are material or immaterial entities whose features and properties are functions of provider-independent consumer agency and thereby deliver value through patterns of individual, brand mediated behaviour, which meet subjective needs.

Concluding discussion

Research implications

We now address two important research implications of this study. First, we discuss the implications for future definitions of consumer value creation. Second, we connect research on value creation to extant – but dissociated – research on consumer behaviour.

Defining CDL value creation. The principal contribution of this paper has been to support Heinonen et al.'s (2010) call for a distinct CDL by clarifying key conceptual differences between PDL, SDL and CDL. In particular, we have clarified the semantic and ontological foundations of CDL, informed by five case studies. Given that the most recent SDL developments aim at integrating into the logic aspects of consumer value creation (value-in-use) and, at times, even use the term 'customer dominant value' (Grönroos and Voima, 2013), the perhaps most pressing issue for future

research is to arrive at a generic trans-logic definition – supplemented by logic-specific definitions – of consumer created value (value-in-use). While it is beyond the scope of this paper to attempt such definitions, we provide a suggestion for the type of definition we believe would be most beneficial.

Most definitions implicitly or explicitly specify the necessary and sufficient conditions under which a particular phenomenon or state of affairs is the case. Tacitly, research definitions often assume that there is a clear cut-off point (ontologically, behaviourally, procedurally or otherwise), which makes when something is or is not the case. This definitional approach does not fit very well to consumer value creation. Our analysis has demonstrated that consumer value creation may be the end result of chains of events, which ultimately originate from different types of agents: providers and consumers. On the one hand, provider agency may lead to consumer created value via interactive processes of value co-creation, as demonstrated in Model 2 and discussed in the section on consumer dominant ontology. On the other, consumer agency carried out independently from any prior interaction with providers may also be the source of value-in-use. Although provider value facilitation may lead to consumer dominant value creation, SDL nevertheless characterises this as a final outcome of activities initiated by providers and moderated via provider-consumer co-creation.

Consumer value creation thereby seems to be a spectrum property that emerges within a given sphere of consumer driven actions, which originate from one of two different sources: provider value facilitation or consumer value facilitation taking place in social networks with no contact to the external provider environment. It is thus a key task for future research to describe the defining characteristics of these two types of consumer created value-in-use.

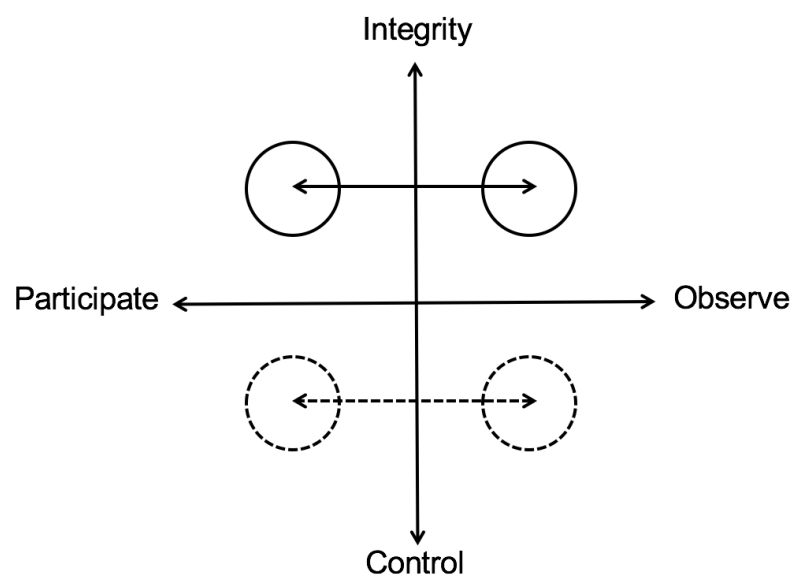
CDL value creation and consumer culture theory (CCT). Although this paper primarily draws on conceptual research into value creation within the framework of service marketing, the ontological and semantic analyses are fuelled by cases that would normally form the basis for studies of how consumers interact with brands. The paper thereby brings into dialogue two related, yet separate fields of marketing: marketing logics and consumer behaviour. While the link between the two fields is obvious and intuitive, the contemporary study of marketing logics is substantially shaped by the theoretical lenses established in Vargo and Lusch's as well as Grönroos's seminal work on value creation in service marketing.

A promising line of future enquiry could therefore be to attempt a conceptual explication of how core theories of consumer behaviour – such as consumer culture

theory (CCT) (Arnould and Thompson 2005; Joy and Li, 2012) – can enhance our understanding of consumer driven value creation. Indeed, the previously called for field specific definition of consumer value creation, which emerge outside direct prior interaction with providers, will benefit from a strong grounding in CCT. The consumercentric notion of brandscape as defined by Sherry (1998) and further developed by Thompson and Arsel (2004) offers a conceptually rich starting point: brandscapes refer to the process of using brands as symbolic resources to produce personal narratives that construct and express individual identities and values. Importantly, Carah (2014) points out how consumers' capacity to produce original brand meanings (called affective brand labour) may positively influence brands, even in cases where these brand meanings do not represent authentic or provider intended brand meaning. Thus, the CCT literature provides a theoretical framework which can conceptualise this paper's idea of consumer created value as taking place in closed social networks outside any form of direct provider interaction or value facilitation.

Managerial implications

This section extends our discussions into a matrix of four strategic approaches (Model 3), which brand managers can adopt in response to consumer dominant activities. The matrix represents four idealised brand positions characterized by a given brand's type of involvement (participate or observe) and mode of involvement (integrity or control).



Model 3. Matrix representing main strategic responses to consumer dominant activities.

- Circles in full lines denote desired brand responses to consumer dominance.
- - - Circles in dotted lines denote brand responses to consumer dominance that should only be sought as a response to hostile consumer brand involvement.

The horizontal axis represents two different ways in which brands can involve themselves in consumer dominant activities. First, brands can become active participants: this happened, for example, when Adidas decided to sponsor Run-D.M.C. as a response to their creative use of the brand as narrative material to construct a desired self and group image. Second, brands can opt for passive involvement through systematic observation of consumer dominant activities in their immediate market domain: this happens, for example, on a daily basis in Gatorade's Mission Control Centre, which monitors social media conversations across a number of different topics 24 hours a day. It is, however, crucial not to overlook that significant consumer dominant activities may be disconnected from the Internet. Thus, a broad range of different observational methods is necessary.

The vertical axis represents two modes in which these types of involvement can unfold. First, brands can carefully involve themselves in ways that respect consumers' integrity. This implies courses of actions that do not run counter to basic consumer activities and do not frustrate the reasons why consumers have chosen to engage with the brand in the first place. One such example is Coca-Cola's friendly takeover - in response to policy changes of commercially branded Facebook pages – of their first Facebook page, which was created by consumers (Fournier and Avery, 2011). Now, the brand successfully co-manages the Facebook page with the fans that created it and, indeed, part of the success has been attributed to the level of autonomy given to these active consumers (Fournier and Avery, 2011). Second, brands can take a more assertive stance trying to control consumer dominant activities. This entails actions, which will be executed regardless of whether or not this conflicts with consumers' activities and their reasons for involving with the brand. This is a defensive reaction mode and the determination to protect the brand easily leads to intrusion. Two lucid examples are Hasbro forcing the shutdown of a consumer-created community related to their flagship brand, Scrabble, as well as Apple suing consumer-created Apple-rumour websites (Fournier and Avery, 2011).

We shall now briefly argue which of the four approaches we recommend brand managers to adopt. Some might argue that this will depend on a given brand's objectives and image as well as its target consumers' behavioural and psychographic profile. However, we do not think this is the case. Rather, all brands should adopt a

strategy characterized by a mix of observatory and participatory involvement, relinquishing control and respecting consumer integrity (top left and right positions). This has to start with respectful observation moving into active participation, because brands cannot facilitate truly consumer dominant activities.

There are two main reasons why approaches involving control should be avoided (bottom left and right positions). First and foremost, consumer dominance is inherently uncontrollable, because (a) the pre-conditions under which it may emerge are present in the marketing environment at all times and (b) these pre-conditions are beyond the control of the brand. Second, as consumer dominant activities are initiated by consumers' voluntary investment of time, energy and, very often, keen affection into a brand, corporate involvement will often be seen as a hostile attempt to control consumer autonomy (Fournier and Avery, 2011). When brands attempt to influence consumer dominant activities they easily frustrate and disturb the reasons why consumers chose to engage with the brands in the first place. This is likely to cause disappointment and backlashes. Gaining control is the rational choice only when consumer-created activities are threatening to impact negatively on the brand image.

A case in point is McDonald's 2012 Twitter campaign, which invited consumers to share their experiences: malevolent consumers hijacked the hashtag #McDStories and posted a flood of extremely negative comments about the company (Bradshaw and Rappeport, 2012). In such cases, it is necessary for the brand to gain control as a temporary means of damage limitation. The underlying guiding principle, however, should be to only seek control over consumer created activities when they are clearly of negative intent, because otherwise control will necessarily frustrate the positive reasons why consumers have voluntarily decided to engage with a brand.

Appendix. Definitions of core constructs.

Theoretical construct	Definition
Marketing logic	A marketing logic is a converged upon framework of theories, principles, ontological assumptions and epistemological axioms, which governs all action in a given marketing context. Logics are structural lenses that significantly influence the context of discovery (e.g., what researchers explore and how they do it) as well as the context of interpretation (e.g., how researchers make sense of what they find).
Product dominant logic (PDL)	PDL views consumer value as either a product or service inherent property or a managerially constructed property. The logic conceptualizes consumers as passive agents that businesses market to. The communicative relationship between businesses and consumers is linear and one-way: marketers are active senders whereas consumers are passive recipients. Marketing is a business function and marketers market <i>to</i> consumers.
Service dominant logic (SDL)	SDL views consumer value as a function of consumer-brand co-creation. The logic conceptualizes consumers as active co-agents in the marketing value chain. The communicative relationship between businesses and consumers is non-linear and dialogical: marketers and consumers can initiate, engage in and terminate communications. Marketing is a business function carried out with the help of consumers: marketers market <i>with</i> consumers.
Consumer dominant logic (CDL)	CDL views consumer value as a function of autonomous, provider-independent consumer agency. Value emerges through brand-mediated agency, which is causally independent from interactions with businesses. Businesses may be invited to take part in consumer dominant activities, which in turn may evolve into co-creative processes, but consumers are the gatekeepers.
Value ontology	Value ontology is a description of the specific nature of values and their relations to fields, domains and constructs. The three marketing logics have distinct value ontologies, which differ in terms of ontological status, relational status and replication of product properties.
Reference theory of meaning	The reference theory of meaning holds that meaning is a function of what expressions refer to and how the semantic reference is established. A propositional or symbolic expression, E, is partly determined by E's referent, R, as well as how the referential relation, R(e), between E and R has been established. The reference theory of meaning can explain important semantic processes in consumer dominant activities, which PDL and SDL cannot accommodate. The baseline assumptions in these logics mean that even if they adopt the reference theory of meaning, they are still unable to explain consumer dominant value creation.
Mentalist theory of meaning	The mentalist theory of meaning holds that meaning is a function of what effects the communicator intends to bring about in his or her audience. The meaning of a propositional or symbolic expression, E, is determined by what the communicator, C, intends E to mean for the targeted recipients, R. Thus, by expressing E, C means that <i>p</i> to the extent that C – by communicating E – intends R to believe that <i>p</i> in light of C's intentions. The mentalist theory of meaning can explain important semantic processes in consumer dominant activities, which PDL and SDL cannot accommodate. The baseline assumptions in these logics mean that even if they adopt the mentalist theory of meaning, they are still unable to explain consumer dominant activities.

References

- Achrol, R., and Kotler, P. (2012), "Frontiers of the marketing paradigm in the third millennium", *Journal of the Academy of Marketing Science*, Vol. 32, No. 40, pp. 35-52.
- AMA (2008), "The American Marketing Association releases new definition for marketing", press release, January 14, *American Marketing Association*.
- Anker, T., Kappel, K., Eadie, D., and Sandøe, P. (2012), "Fuzzy promises: explicative definitions of brand promise delivery", *Marketing Theory*, Vol. 12, No. 3, pp. 267-287.
- Arnould, E.J., and Thompson, C.J. (2005), "Consumer culture theory (CCT): twenty years of research", *Journal of Consumer Research*, Vol. 31, No. 4, pp. 868-882.
- BBC (2004), "Pub-goers facing 'Burberry' ban", August 20. Accessed September 24, 2013: <http://news.bbc.co.uk/1/hi/england/leicestershire/3583900.stm>
- Berry, L.L. (1983), "Relationship marketing", in *Emerging Perspectives in Service Marketing*, Berry, L.L., Shostack, G.L. and Upah, G., American Marketing Association, Chicago, pp. 25-28.
- Boog, J. (2012), "The lost history of Fifty Shades of Grey", *Galleycat*, November 21. Accessed September 24, 2013: http://www.mediabistro.com/galleycat/fifty-shades-of-grey-wayback-machine_b49124
- Bothwell, C. (2005), "Burberry versus The Chavs", *BBC*. Accessed September 24, 2013: <http://news.bbc.co.uk/1/hi/business/4381140.stm>
- Bradshaw, T., and Rappeport, A. (2012), "McDonald's Twitter campaign hijacked", *Financial Times*, January 24. Accessed April 29, 2014: <http://www.ft.com/cms/s/0/6de5a21e-46b3-11e1-bc5f-00144feabdc0.html#axzz30HPFDglZ>
- Britannica (2012a), "Run-D.M.C.". Accessed September 24, 2013: <http://www.britannica.com/EBchecked/topic/512741/Run-DMC>
- Britannica (2012b), "Hip-Hop". Accessed September 24, 2013: <http://www.britannica.com/EBchecked/topic/266545/hip-hop>
- Carah, N. (2014), "Brand value: how affective labour helps create brands", *Consumption Markets & Culture*, Vol. 17, No. 4, pp. 346-366.
- Chernatony, L. de (2006), *From Brand Vision to Brand Evaluation*, Butterworth-Heinemann, Oxford.
- Davis, W. (2002), *Meaning, Expression, and Thought*, Cambridge University Press, New York.
- Dibb, S., and Carrigan, M. (2013), "Social marketing transformed: Kotler, Polonsky and Hastings reflect on social marketing in a period of social change", *European Journal of Marketing*, Vol. 47, No. 9, pp. 1376-1398.
- Economist, T. (2011), "Burberry and globalisation: a checkered story", *The Economist*, January 20. Accessed September 2013: <http://www.economist.com/node/17963363>
- Eisenhardt, K. M. (1989), "Building theories from case study research", *Academy of Management Review*, Vol. 14, No. 4, pp. 532-550.
- Eisenhardt, K. M., and Graebner, M. E. (2007), "Theory building from cases: Opportunities and Challenges", *Academy of Management Journal*, Vol. 50, No. 1, pp. 25-32.
- Fournier, S. (1998), "Consumers and their brands: developing relationship theory in consumer research", *Journal of Consumer Research*, Vol. 24, No. 4, pp. 343-373.
- Fournier, S., and Avery, J. (2011), "The uninvited brand", *Business Horizons*, Vol. 54, No. 3, pp. 193-207.

- Frege, G. (1892), "On sense and reference," in *Translations from the philosophical writings of Gottlob Frege*, Geach, P. and Black, M. (Eds.), Basil Blackwell, Oxford, pp. 56-78.
- Gallarza, M.G., Gil-Saura, I., and Holbrook, M.B. (2011), "The value of value: Further excursions on the meaning and role of customer value", *Journal of Consumer Behaviour*, Vol. 10, No. 4, pp. 179-191.
- Grice, P. (1989), *Studies in the Way of Words*, Harvard University Press, Cambridge, MA.
- Grönroos, C. (1989), "Defining marketing: A market-oriented approach", *European Journal of Marketing*, Vol. 23, No. 1, pp. 52-60.
- Grönroos, C. (1994), "From marketing mix to relationship marketing: towards a paradigm shift in marketing", *Management Decision*, Vol. 32, No. 2, pp. 4-20.
- Grönroos, C. (2006a), "Adopting a service logic for marketing", *Marketing Theory*, Vol. 6, No. 3, pp. 317-333.
- Grönroos, C. (2006b), "On defining marketing: finding a new roadmap for marketing", *Marketing Theory*, Vol. 6, No. 4, pp. 395-417.
- Grönroos, C. (2008), "Service logic revisited: who creates value? And who co-creates?", *European Business Review*, Vol. 20, No. 4, pp. 298-314.
- Grönroos, C. (2011), "Value co-creation in service logic: a critical analysis", *Marketing Theory*, Vol. 11, No. 3, pp. 279-301.
- Grönroos, C., and Gummerus, J. (2014), "The service revolution and its marketing implications: service logic vs service-dominant logic", *Managing Service Quality*, Vol. 24, No. 3, pp. 206-229.
- Grönroos, C., and Voima, P. (2013), "Critical service logic: making sense of value creation and co-creation", *Journal of the Academy of Marketing Science*, Vol. 41, No. 2, pp. 133-150.
- Gruen, T.W., Osmonbekov, T., and Czaplewski, A.J. (2007), "Customer-to-customer exchange: Its MOA antecedents and its impact on value creation and loyalty", *Journal of the Academy of Marketing Science*, Vol. 35, No. 4, pp. 537-549.
- Gummesson, E. (2008), "Extending the service-dominant logic: from customer centrality to balanced centrality", *Journal of the Academy of Marketing Science*, Vol. 36, No. 1, pp. 15-17.
- Hayward, K., and Yar, M. (2006), "The 'chav' phenomenon: consumption, media and the construction of a new underclass", *Crime, Media, Culture*, Vol. 2, No. 1, pp. 9-28.
- Heinonen, K., Strandvik, T., Mickelsson, K.-J., Edvardsson, B., Sundström, E., and Andersson, P. (2010), "A customer-dominant logic of service", *Journal of Service Management*, Vol. 21, No. 4, pp. 531-548.
- Holbrook, M.B. (1994), "The nature of customer value: An axiology of services in the consumption experience", in Rust, R.T. and Oliver, R.T. (Eds.), *Service Quality: New Directions in Theory and Practice*, Sage, Thousand Oaks, CA, pp. 21-71.
- Holbrook, M.B. (1996), "Special session summary. Customer value – a framework for analysis and research", *Advances in Consumer Research*, Vol. 23, No. 2, pp. 138-142.
- Holbrook, M.B. (1999), "Introduction to consumer value", in Holbrook, M. B. (Ed.), *Consumer Value: A Framework for Analysis and Research*, Routledge, London, pp. 1-28.
- Jacquette, D., and Hilpinen, R. (2002), "Deontic, epistemic, and temporal modal logics", in Jacquette, D. (Ed.), *A Companion to Philosophical Logic*, Blackwell Publishers, Malden, Mass, chap. 31.
- Joy, A., and Li, E.P.H. (2012), "Studying consumption behaviour through multiple lenses: an overview of consumer culture theory", *Journal of Business Anthropology*, Vol. 1, No. 1, pp. 141-173.

- Karababa, E., and Kjeldgaard, D. (2013), "Value in marketing: toward sociocultural perspectives, *Marketing Theory*, online first, August 14, doi: 10.1177/1470593113500385.
- Keller, K.L. (2008), *Strategic Brand Management*, Pearson Education, Upper Saddle River, NJ.
- Kellogg, C. (2012), "'50 Shades of Grey': Where did the early online drafts go?", *Los Angeles Times*, July 16. Accessed September 24, 2013: <http://articles.latimes.com/2012/jul/16/news/la-jc-50-shades-of-grey-where-did-the-early-online-drafts-go-20120716>
- Kuhn, T. (1962), *The Structure of Scientific Revolutions*, (2nd ed.), The University of Chicago Press, Chicago.
- Luhmann, N. (1995), *Social Systems*, Stanford University Press, Stanford: California.
- Luhmann, N. (2006) "System as difference", *Organization*, Vol. 13, No. 1, pp. 37-57.
- Lusch, R.F. (2007), "Marketing's evolving identity: defining our future", *Journal of Public Policy & Marketing*, Vol. 26, No. 2, pp. 261-268.
- Lusch, R.F. and Vargo, S.L. (2006), "Service-dominant Logic as a foundation for a general theory", in R.F. Lusch and S.L. Vargo (Eds.), *The Service-Dominant Logic of Marketing. Dialog, Debate, and Directions*, M. E. Sharpe, Armonk, NY, pp. 406–20.
- MacInnis, D.J. (2011), "A framework for conceptual contributions in marketing", *Journal of Marketing*, Vol. 75, No. 4, pp. 136-154.
- McCarthy, E.J. (1960), *Basic Marketing*, Irwin, Homewood, IL.
- Merz, M., He, Y., and Vargo, S. (2009), "The evolving brand logic: a service-dominant logic perspective", *Journal of the Academy of Marketing Science*, Vol. 37, No. 3, pp. 328-344.
- Moeller, S., Ciuchita, R., Mahr, D., Odekerken-Schröder, G., and Fassnacht, M. (2013), "Uncovering Collaborative Value Creation Patterns and Establishing Corresponding Customer Roles", *Journal of Service Research*, Vol. 16, No. 4, pp. 471-487.
- Moore, A.W. (Ed.) (1993), *Meaning and Reference*, Oxford University Press, Oxford, UK.
- Neale, S. (1992), "Paul Grice and the philosophy of language", *Linguistics & Philosophy*, Vol. 15, No. 5, pp. 509-559.
- Nickles, T. (Ed.) (2003), *Thomas Kuhn*, Cambridge University Press, Cambridge, UK.
- Nordin, F., and Kowalkowski, C. (2010), "Solutions offerings: a critical review and reconceptualisation", *Journal of Service Management*, Vol. 21, No. 4, pp. 441-459.
- Park, C.W., Jaworski, B.J., and MacInnis, D.J. (1986), "Strategic brand concept-image management", *Journal of Marketing*, Vol. 50, No. 4, pp. 135-145.
- Pitt, L., Watson, R., Berthon, P., Wynn, D., and Zinkhan, G. (2006), "The penguin's window: corporate brands from an open-source perspective", *Journal of the Academy of Marketing Science*, Vol. 34, No. 2, pp. 115-127.
- Rieker, P., Glaser, M., and Schuster, S. (2006), *Prevention of Right-Wing Extremism, Xenophobia and Racism in European Perspective*. German Youth Institute, Halle.
- Ro, R. (2005), *Raising Hell: the Reign, Ruin, and Redemption of Run-D.M.C. and Jam Master Jay*, Amistad, New York, NY.
- Schau, H.J., Muñiz, A.M., and Arnould, E.J. (2009), "How brand community practices create value", *Journal of Marketing*, Vol. 73, No. 5, pp. 30-51.
- Schembri, S., Merrilees, B., and Kristiansen, S. (2010), "Brand consumption and narrative of the self", *Psychology and Marketing*, Vol. 27, No. 6, pp. 623-637.
- Schroeder, M. (2012), "Value Theory", in Zalta, E.N. (Ed.), *The Stanford Encyclopedia of Philosophy*, <http://plato.stanford.edu/archives/sum2012/entries/value-theory/>

- Sherry, J.F. (1998), "The soul of the company store: Nike Town Chicago and the emplaced brandscape", in *ServiceScapes: The Concept of Place in Contemporary Markets*, Sherry, J.F. (Ed.), NTC Business Books, Chicago, pp. 109-46.
- Sheth, J.N., Gardner, D.M., and Garrett, D.E. (1988), *Marketing Theory: Evolution and Evaluation*, John Wiley & Sons, New York.
- Soames, S. (2012), *Philosophy of Language*, Princeton University Press, Princeton, NJ.
- Speaks, J. (2014), "Theories of meaning", in Zalta, E.N. (Ed.), *The Stanford Encyclopedia of Philosophy*, <http://plato.stanford.edu/archives/sum2011/entries/meaning/>
- Stake, R. E. (1995), *The Art of Case Study Research*, Sage, Thousand Oaks, CA
- Stake, R. E. (2005), "Qualitative case studies", in Denzin, N.K. and Lincoln, Y.S. (Eds.), *Handbook of Qualitative Research*, (3rd ed.), Sage, Thousand Oaks, CA, pp. 443-466.
- Tadajewski, M., and Saren, M. (2009), "Rethinking the emergence of relationship marketing", *Journal of Macromarketing*, Vol. 29, No. 2, pp. 193-206.
- Thompson, C.J., and Arsel, Z. (2004), "The Starbucks brandscape and consumers' (anticorporate) experiences of glocalization", *Journal of Consumer Research*, Vol. 31, No. 3, pp. 631-642.
- Vargo, S.L., and Lusch, R.F. (2004), "Evolving to a new dominant logic for marketing", *Journal of Marketing*, Vol. 68, No. 1, pp. 1-17.
- Vargo, S.L., and Lusch, R.F. (2006), "Service-dominant logic: what it is, what it is not, what it might be", in Lusch, R.F. and Vargo, S.L. (Eds.), *The Service Dominant Logic of Marketing: Dialog, Debate, and Directions*, ME Sharpe, Armonk, NY, pp. 43-55.
- Vargo, S.L., and Lusch, R.F. (2008), "Service-dominant logic: continuing the evolution", *Journal of the Academy of Marketing Science*, Vol. 36, No. 1, pp. 1-10.
- Welch, C., Piekkari, R., Plakoyiannaki, E., and Paavilainen-Mäntymä, E. (2011), "Theorising from case studies: Towards a pluralist future for international business research", *Journal of International Business Studies*, Vol. 42, No. 5, pp. 740-762.
- Williams, J. (2012), "The logical structure of the service-dominant logic of marketing", *Marketing Theory*, Vol. 12, No. 4, pp. 471-483.
- Yin, R.K. (2009), *Case Study Research*, (4th ed.), Sage, Thousand Oaks, CA.

Notes

¹ A recent paper on the historic evolution of social marketing demonstrates scholarly disagreement over the scope of marketing theories and the distinctiveness of marketing disciplines (Dibb and Carrigan, 2013). We are sceptical of any attempt to formulate Super Logics that aim at explaining all significant occurrences within an entire scientific field or discipline. The explanatory scope of any given logic is defined by its theoretical assumptions, but there is no evidence of a unique set of coherent assumptions which enable meaningful description of all significant occurrences within an entire field or Super Domain. The development of modern symbolic logic clearly demonstrates this: to enable formal descriptions of the diversity of human activity a large set of field-specific logics such as epistemic logic, deontic logic and modal logic, each differentiated by different axioms and rules of inferences, have been developed (Jacquette and Hilpinen, 2002).

² Grönroos and Voima (2013) distinguish between two types of value co-creation. On the one hand, co-creation is a function of actual, interactional encounters between businesses and consumers. For example, when a fitness instructor helps a consumer to improve her running technique, they are co-creating value: the rewards the consumer gets are very much dependent on the personal effort she puts into the service relationship. On the other, co-creation can denote a metaphorical process in which consumers and businesses indirectly influence the value creation process. The notion of metaphorical co-creation has yet to be robustly defined.

³ As examples of key situations in which consumer-to-consumer value creation takes place, Gruen, Osmonbekov and Czaplewski (2007) mention services such as river rafting and bicycle tours as well as professional conferences and association meetings. Based on the motivation, opportunity and ability framework, they test the antecedents of consumer-to-consumer value creation at a professional association meeting. Their findings demonstrate that – in particular with respect to first time participation in an event – attendees are ‘likely to be absorbed by the events surrounding the association meeting (p. 542)’. This significantly influences consumer-to-consumer value creation at the event, such as networking activities that are not controlled or facilitated by the event organisers. The original service environment thereby influences consumer-to-consumer value creation. This is in line with Grönroos and Voima’s progressive model of value creation (see Model 2 above).

⁴ One may object that this is not a good example because the smartphone users’ capabilities may affect the outcome: some users may be able to use the navigation app to obtain reliable travel directions, whereas others may not. However, as most products are affected by the way in which they are used, their promised features and properties are indexical on the tacit notion of relevantly competent users.